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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/008,388	12/07/2001	Janice A. Kehrli	G04.008	2980

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EXAMINER
SHERR, CRISTINA O

ART UNIT	PAPER NUMBER
3621	

DATE MAILED: 05/06/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO 90C (Rev 10/03)

	Application No.	Applicant(s)
Office Action Summary	10/008,388	KEHRLI ET AL.
	Examiner	Art Unit
	Cristina Owen Sherr	3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *10 January 2005*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-25* is/are pending in the application.

    4a) Of the above claim(s) *24 and 25* is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-23* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage
application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

DETAILED ACTION

1.   This communication is in response to the amendment filed January 10, 2005.

Claims 1, 3, 4, 5, 6, 9, 19, 20, 21, 22, and 23 have been amended. Claims 24 and 25

have been canceled. Claims 1-23 are pending in this case.

Response to Arguments

2.   Applicant's arguments with respect to claims 1-23 have been considered but are

moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

4.   Claims 1-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Gould et al (US 5,966,700A) in view of Cwenar (US 5,893079A).

5.   Regarding claim 1 –

6.   Gould teaches a method to facilitate analysis of a commercial mortgage backed

security portfolio comprising: determining base information associated with a

commercial mortgage backed security portfolio associated with a plurality of mortgage

loans; determining information associated with an additional mortgage loan to be added

to the portfolio, including at least one desired profitability value for the additional

mortgage loan (e.g. col 2 ln 15-50).

7.   Gould does not discloses, but Cwenar does, transmitting to a user terminal at least one loan spread value associated with the additional mortgage loan via a communication network (e.g. col 2 ln 10 – col 3 ln 35).

8.   Regarding claim 2 –

Cwenar discloses the method of claim 1, wherein the user terminal comprises a personal computer and the communication network comprises the Internet (e.g. col 2 ln 10-25).

9.   Regarding claims 3 – 6-

Gould discloses the method of claim 2, wherein said transmitting is adapted to display a matrix of loan spread values associated with at least one of a plurality of property types, a plurality of debt service coverage ratios, a plurality of loan to values, and a plurality of loan term periods; wherein said determination of base information comprises at least one of retrieving pre-stored base information, and receiving the base information from an associated system; wherein the base information includes at least one of: balance information, loan rate information, loan term information, remaining term information, amortization term information, servicing fee information, payment basis information, payment basis servicing fee information, and calculation of interest reserve information; wherein the information associated with the additional mortgage loan includes at least one of: treasury information, swap information, credit rating category spread information, credit rating category size information, price cap information, coupon information, yield information, total flat bond proceed information, collateral balance information, and deal duration information (e.g. col 2 ln 25-45).

10.   Regarding claims 7 – 11 -

Gould discloses calculating the loan spread associated with the additional mortgage

loan in accordance with a contribution of the additional mortgage loan to the portfolio;

wherein the portfolio is associated with a plurality of credit rating categories, each credit

rating category being associated with a current category size, and wherein said

calculating includes: determining, for the additional mortgage loan, a category size for

each credit rating category; wherein the determination of category sizes for the

additional mortgage loan is based on at least one of a property type, a risk value, debt

service coverage ratio information, and loan to value information; adding the category

size for the additional mortgage loan to the current category size to determine a

combined category size for each credit rating category; determining an original

profitability of the portfolio; calculating a combined profitability of the portfolio and the

additional mortgage loan based on the combined category sizes; and subtracting the

original profitability from the combined profitability to determine a profitability of the

additional mortgage loan (e.g. col 6 ln 10-45).

11.   Regarding claims 12 – 18

Gould discloses the method wherein said calculation of the loan spread is an iterative

process; wherein the iterative process includes: determining a trial loan spread for the

additional mortgage loan; computing a resulting profitability based on the trial spread;

and adjusting the trial loan spread, wherein said computing and adjusting are repeated

until the resulting profitability is within a predetermined range of the desired profitability;

wherein said adjusting is based on a duration of the additional mortgage loan; wherein

said adjusting comprises: determining an original duration of the portfolio; calculating a

combined duration of the portfolio and the additional mortgage loan; and subtracting the

original duration from the combined duration to determine the duration of the additional

mortgage loan; wherein the method is performed for a plurality of desired profitability

values to determine a plurality of loan spread values; wherein said calculating is

performed via a substantially real-time pricing application; and wherein said calculating

is further performed utilizing a function library adapted to generate loan and/or

commercial mortgage backed securities cash flows (e.g. col 2 In 15-50).

12.   It would be obvious to a practitioner of ordinary skill in the art to combine the

teaching of Gould and Cwenar in order to obtain a more user friendly and efficient

method to perform portfolio analysis.

13.   Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over Gould et

al (US 5,966,700A) in view of Cwenar (US 5,893079A).

14.   Regarding claim 19 –

15.   Gould discloses a computer-implemented method to facilitate analysis of a

commercial mortgage backed security portfolio comprising: retrieving base information

associated with the portfolio; receiving information associated with a commercial

mortgage backed security portfolio associated with a plurality of mortgage loans and a

plurality of credit rating categories, each credit rating category being associated with a

current category size receiving information associated with an additional mortgage loan

to be added to the portfolio, including a desired profitability value of the additional

mortgage loan; determining, for the additional mortgage loan, a category size for each

rating category based on at least one of: a property type, a risk value, debt service coverage ratio information, and loan to value information; adding the category size for the additional mortgage loan to the current category size to determine a combined category size for each rating category; determining an original profitability of the portfolio; calculating a combined profitability of the portfolio and the additional mortgage loan based on the combined category sizes; subtracting the original profitability from the combined profitability to determine a profitability of the additional mortgage loan; wherein the calculation of the loan spread is an iterative process, comprising: determining a trial loan spread for the additional mortgage loan, computing a resulting profitability based on the trial spread, and adjusting the trial loan spread based on a duration of the additional mortgage loan, wherein said computing and adjusting are repeated until the resulting profitability is within a predetermined range of the desired 28 profitability (e.g. col 2 ln 15-50).

16.   Gould does not disclose but Cwenar does, transmitting to a user terminal via a Web site a calculated loan spread for the additional mortgage loan in accordance with a contribution of the additional mortgage loan to the portfolio (e.g. col 2 ln 10 – col 3 ln 35).

17.   It would be obvious to a practitioner of ordinary skill in the art to combine the teaching of Gould and Cwenar in order to obtain a more user friendly and efficient method to perform portfolio analysis.

18.   Claims 20-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gould et al (US 5,966,700A) in view of Cwenar (US 5,893079A).

19.   Regarding claim 20 –

Gould discloses an apparatus adapted to facilitate analysis of a commercial mortgage

backed security portfolio, comprising: a processor; and a storage device in

communication with said processor and storing instructions adapted to be executed by

said processor to: determine base information associated with a commercial mortgage

backed security portfolio associated with a plurality of mortgage loans, determine

information associated with an additional mortgage loan to be added to the portfolio,

including at least one desired profitability value for the additional mortgage loan (e.g. col

2 ln 15-50).

20.   Gould does not disclose but Cwenar does transmitting to a user terminal at least

one loan spread value associated with the additional mortgage loan via a

communication network (e.g. col 2 ln 10 – col 3 ln 35).

22.   Regarding claim 21 –

Cwenar discloses the apparatus wherein said storage device further stores at least one

of: a portfolio database, a market information database, and a contributory bond sizes

database (e.g. col 2 ln 10-25).

23.   Regarding claim 22 –

Cwenar discloses a communication device coupled to said processor and adapted to

communicate with at least one of: a user terminal, and a real time pricing server (e.g.

col 3 ln 10-20).

24.   It would be obvious to a practitioner of ordinary skill in the art to combine the

teaching of Gould and Cwenar in order to obtain a more user friendly and efficient

method to perform portfolio analysis.

25.   Claim 23 is rejected under 35 U.S.C. 103(a) as being unpatentable over Gould et

al (US 5,966,700A) in view of Cwenar (US 5,893079A).

26.   Gould discloses a medium storing instructions adapted to be executed by a

processor to perform a method of facilitating analysis of a commercial mortgage backed

security portfolio, said method comprising: determining base information associated

with a portfolio associated with a plurality of mortgage loans; determining information

associated with an additional mortgage loan to be added to the portfolio, including at

least one desired profitability value for the additional mortgage loan (e.g. col 2 ln 15-50).

27.   Gould does not disclose but Cwenar does transmitting to a user terminal at least

one loan spread value associated with the additional mortgage loan via a

communication network (e.g. col 2 ln 10 – col 3 ln 35).

28.   It would be obvious to a practitioner of ordinary skill in the art to combine the

teaching of Gould and Cwenar in order to obtain a more user friendly and efficient

method to perform portfolio analysis.

29.   Examiner's note: Examiner has cited particular columns and line numbers in

the references as applied to the claims above for the convenience of the applicant.

Although the specified citations are representative of the teachings in the art and are

applied to the specific limitations within the individual claim, other passages and figures

may be applied as well. It is respectfully requested from the applicant, in preparing the

responses, to fully consider the references in entirety as potentially teaching all or part

of the claimed invention as well as the context of the passage as taught by the prior art

or disclosed by the examiner.

Conclusion

30.   The prior art made of record and not relied upon is considered pertinent to

applicant's disclosure.

316. Wallman (US 6,360,210 B1) discloses a method and system for enabling smaller

investors to manage risk in a self-managed portfolio of assets/liabilities.
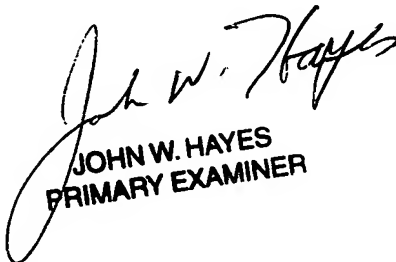
32.   Acosta et al (US 6,643,625 B1) discloses a system and method for auditing loan

portfolios and loan servicing portfolios.

33.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Cristina Owen Sherr whose telephone number is 571-

272-6711. The examiner can normally be reached on 8:30-5:00 Monday through

Friday.

34.   If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, James Trammell can be reached on 571-272-6712. The fax phone number

for the organization where this application or proceeding is assigned is 703-872-9306.

35.   Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).

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JOHN W. HAYES
PRIMARY EXAMINER